



STATE BOARD OF EQUALIZATION  
PROPERTY TAXES DEPARTMENT  
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Controller, Sacramento

E. L. SORESENSEN, JR.  
Executive Director

September 1, 1999

No. 99/49

TO COUNTY ASSESSORS:

HISTORICAL PROPERTIES INTEREST COMPONENT – 2000 LIEN DATE

Enforceably restricted historical property is property that is subject to a contract that restricts the use of the property in such a way as to promote the property's continued preservation. In exchange for agreeing to the restrictions on use, the property owner benefits from a preferential assessment treatment. Under this treatment, which is set forth in sections 439–439.4 of the Revenue and Taxation Code, the assessor must value the property by applying the capitalization of income method in a specified manner.

Section 439.2 requires the Board to annually determine the interest component of the capitalization rate that the assessor shall use in applying the specified method. Specifically, section 439.2 requires that the interest component "be determined by the board and announced no later than September 1 of the year preceding the assessment year and that was the yield rate equal to the effective rate on conventional mortgages as determined by the Federal Housing Finance Board, rounded to the nearest ¼ percent."

Information received from the Federal Housing Finance Board indicates that the latest effective rate on conventional mortgages was 7.46 percent. Rounded to the nearest one-quarter percent, this figure means that the interest component of the capitalization rate used in the valuation of enforceably restricted historical property for the 2000 assessment year is **7.5** percent. (For your reference, a table is enclosed showing the interest components announced for all assessment years dating back to 1980.)

Sincerely,

/s/ Richard C. Johnson

Richard C. Johnson  
Deputy Director  
Property Taxes Department

RCJ:grs  
Enclosure

HISTORICAL PROPERTIES ASSESSED UNDER SECTIONS  
439, 439.1, 439.3, AND 439.4 OF THE REVENUE AND TAXATION CODE

**INTEREST COMPONENT FOR PRIOR YEARS**

| <b>Lien Date</b> | <b>Interest<br/>Component</b> |
|------------------|-------------------------------|
| 1999             | 7.25                          |
| 1998             | 7.75                          |
| 1997             | 7.75                          |
| 1996             | 7.50                          |
| 1995             | 7.75                          |
| 1994             | 7.25                          |
| 1993             | 8.00                          |
| 1992             | 9.50                          |
| 1991             | 10.25                         |
| 1990             | 10.50                         |
| 1989             | 9.25                          |
| 1988             | 9.50                          |
| 1987             | 10.25                         |
| 1986             | 11.25                         |
| 1985             | 13.50                         |
| 1984             | 12.50                         |
| 1983             | 14.75                         |
| 1982             | 15.25                         |
| 1981             | 12.50                         |
| 1980             | 11.50                         |